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SECTION 1. Section 311.003(a), Tax Code, is amended to read as follows: (a) The governing body of a <u>county by order may designate a contiguous geographic area in the county and the governing body of a</u> municipality by ordinance [<s>or the governing body of a county by order</s>] may designate a contiguous <u>or noncontiguous</u> geographic area <u>that is in the corporate limits of the municipality, in the extraterritorial jurisdiction of the municipality, or in both</u> [<s>in the jurisdiction of the municipality or county</s>] to be a reinvestment zone to promote development or redevelopment of the area if the governing body determines that development or redevelopment would not occur solely through private investment in the reasonably foreseeable future. <u>The designation of an area that is wholly or partly located in the extraterritorial jurisdiction of a municipality is not affected by a subsequent annexation of real property in the reinvestment zone by the municipality.</u>	Same as House version.	
<mark>No equivalent provision.</mark>	SECTION __. Subsection (a), Section 311.006, Tax Code, is amended to read as follows: (a) A municipality may not create a reinvestment zone if: (1) more than 10 percent of the property in the proposed zone, excluding property that is publicly owned, is used for residential purposes; or (2) the total appraised value of taxable real property in	

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	the proposed zone and in existing reinvestment zones exceeds: (A) 20 percent of the total appraised value of taxable real property in the municipality and in the industrial districts created by the municipality, if the municipality is the county seat of a county: (i) that is adjacent to a county with a population of 3.3 million or more; and (ii) in which a planned community is located that has 20,000 or more acres of land, that was originally established under the Urban Growth and New Community Development Act of 1970 (42 U.S.C. Section 4501 et seq.), and that is subject to restrictive covenants containing ad valorem or annual variable budget-based assessments on real property; or (B) 15 percent of the total appraised value of taxable real property in the municipality and in the industrial districts created by the municipality, if Paragraph (A) does not apply to the municipality.	
No equivalent provision.	SECTION __. Section 311.006(a), Tax Code, as amended by this Act, applies only to a reinvestment zone created on or after the effective date of this Act. The creation of a reinvestment zone before the effective date of this Act is covered by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.	

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<mark>No equivalent provision.</mark>	SECTION 2. Section 311.012(a), Tax Code, is amended to read as follows: (a) The amount of a taxing unit's tax increment for a year is the amount of property taxes <u>levied and assessed by the unit for that year on the captured appraised value of real property taxable by the unit and located in a reinvestment zone or the amount of property taxes</u> levied and collected by the unit for that year on the captured appraised value of real property taxable by the unit and located in a reinvestment zone. <u>The governing body of a taxing unit shall determine which of the methods specified by this subsection is used to calculate the amount of the unit's tax increment.</u>	
<mark>No equivalent provision.</mark>	SECTION 3. Sections 311.013(c) and (i), Tax Code, are amended to read as follows: (c) <u>Notwithstanding any termination of the reinvestment zone under Section 311.017(a), a</u> [A] taxing unit shall make a payment required by Subsection (b) not later than the 90th day after the delinquency date for the unit's property taxes. A delinquent payment incurs a penalty of five percent of the amount delinquent and accrues interest at an annual rate of 10 percent. (i) Notwithstanding Subsection (c) <u>and Section 311.012(a),</u> a taxing unit is not required to pay into a tax increment fund the applicable portion of a tax increment attributable to delinquent taxes until those taxes are collected.	

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No equivalent provision.	SECTION 4. Section 311.017, Tax Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows: (a) A reinvestment zone terminates on the earlier of: (1) the termination date designated in the ordinance or order, as applicable, creating the zone or an earlier <u>or later</u> termination date designated by an ordinance or order adopted subsequent to the ordinance or order creating the zone; or (2) the date on which all project costs, tax increment bonds and interest on those bonds, and other obligations have been paid in full. <u>(a-1) Notwithstanding the designation of a later termination date under Subsection (a), a taxing unit that taxes real property located in the reinvestment zone, other than the municipality or county that created the zone, is not required to pay any of its tax increment into the tax increment fund for the zone after the termination date designated in the ordinance or order creating the zone unless the governing body of the taxing unit enters into an agreement to do so with the governing body of the municipality or county that created the zone.</u>	
No equivalent provision.	SECTION 5. (a) The legislature validates and confirms all governmental acts and proceedings of a municipality or county that were taken before the effective date of this Act and relate to or are associated with the extension of the term of a reinvestment zone created by the	

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	municipality or county under Chapter 311, Tax Code, as of the dates on which they occurred. The acts and proceedings may not be held invalid because they were not in accordance with Chapter 311, Tax Code, or other law. (b) Subsection (a) of this section does not apply to any matter that on the effective date of this Act: (1) is involved in litigation if the litigation ultimately results in the matter being held invalid by a final judgment of a court; or (2) has been held invalid by a final judgment of a court.	
No equivalent provision.	SECTION 6. This Act applies only to a taxing unit's tax increment for a period occurring on or after the effective date of this Act. A taxing unit's tax increment for a period occurring before the effective date of this Act is governed by the law in effect for such period, and the former law is continued in effect for that purpose.	
SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2009.	SECTION 7. Same as House version.	